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REPORT
No. 92-412

PUBLIC BUILDINGS AMENDMENTS OF 1971

OCTOBER 28, 1971.—Ordered to be printed

Mr. GRAVEL, from the Committee on Public Works,
submitted the following

REPORT

[To accompany S. 1736]

The Committee on Public Works, to which was referred the bill (S. 1736) to amend the Public Buildings Act of 1959, as amended, to provide for financing the acquisition, construction, alteration, maintenance, operation, and protection of public buildings, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

COMMITTEE AMENDMENTS

S. 1736, as reported, is a composite bill containing the essential features of S. 1736 and of S. 2472, a related bill. Purchase-contract authority for the accelerated construction of public buildings, which was a part of S. 2472 alone, is included in the reported version of S. 1736.

SUMMARY OF THE LEGISLATION

S. 1736, as reported, amends the Public Buildings Act of 1959 (78 Stat. 479), as amended (40 U.S.C. 601 et seq.), and the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490), to:

- (1) update certain limiting and technical provisions in the public buildings law;
- (2) require individual Federal departments and agencies to account in their annual budgets for the approximate commercial value of the office space which they will occupy during that fiscal year;
- (3) create in the Treasury of the United States a new Federal buildings fund, to be composed primarily of rental equivalents

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paid into that fund by departments and agencies at rates established by the Administrator of General Services, together with certain other revenues, collections, and moneys appropriated to the General Services Administration;

(4) issue to the General Services Administration for 3-year period authority to enter into purchase contracts in order to assist in clearing the existing backlog in the construction of public buildings;

(5) direct that in developing plans for future public buildings, the Administrator of General Services shall give due consideration to excellence of architecture and design; and

(6) insure compliance by the General Services Administration, in the acquisition of real property for the construction and alteration of public buildings, with all applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894).

NEED

In recent years, fiscal conditions have made it all but impossible to sustain a timely, efficient Federal building program. As a result, the General Services Administration often has been unable to supply the space demands of Federal agencies in Government-owned buildings.

The GSA has reported to the committee that no fewer than 63 public buildings, some of them authorized as long as 10 years ago, remain unconstructed today although the land for these facilities has been acquired and their designs completed. These 63 buildings are in addition to many other public buildings projects which as yet have received no appropriations. If sufficient funds were available, construction of the 63 could begin promptly. Clearly, their continued postponement is costly to the Government, and not simply in terms of the rise in construction costs which occurs as the years drag on.

For every year that these parcels of land lie idle in the possession of the Federal government, local jurisdictions are deprived of needed property tax revenue without experiencing the benefit of increased payrolls. The plans for the buildings themselves often become outmoded. The Federal agencies which are scheduled to occupy the facilities are forced to scatter their personnel around in rented quarters, an arrangement which is expensive both because of the rent paid to landlords and because of the inefficiency which may result when an agency's staff is badly dispersed. Moreover, by not acting to overcome this backlog, the government leaves thousands of persons unemployed who might otherwise have found work as part of an aggressive Federal building program.

The procedures now in effect for the funding of authorized public buildings only contribute to the delays in construction time. Under them, the G.S.A. must come before Congress two separate times in order to obtain first, appropriations for the site acquisition and design of a public building, and second, appropriations for the actual construction of the facility.

Since this method has been in effect, the backlog of projects has risen to the point that based on the average annual appropriation to the G.S.A. for the construction of Federal buildings since 1959—\$115 mil-

lion per year—it would require 10 years to overcome the present backlog alone, much less to keep abreast of the developing office needs of the Executive branch.

Last, it is apparent to the committee that, at least in part, the government's current space problem may be attributed to a misallocation of existing office space among the Federal agencies. The G.S.A. presently bears the budgetary responsibility for the cost of the office space occupied by most of the Executive branch. Since the departments and agencies themselves are not assessed in their individual budgets for the value of the space which they occupy, they have little incentive to conserve. Instead, the tendency is for agencies to request from G.S.A. more space than they legitimately need, and then to hoard it. Aside from the fact that an accurate performance budget is defeated unless agencies are held accountable for all of their costs, the diseconomies of the present arrangement are clear.

HEARINGS

On September 28, 1971, the Subcommittee on Buildings and Grounds of the Committee on Public Works held hearings on S. 1736 and S. 2479, a related bill. Witnesses who testified at that time were Robert L. Kunzig, Administrator of the General Services Administration; Gregory J. Ahart, deputy director of the civil division, United States General Accounting Office; William Marshall, Jr., vice president of the American Institute of Architects; and Harold G. Tufty, vice president for communications of the American Society of Value Engineers. Each of these witnesses testified favorably as to the value of this legislation.

GENERAL STATEMENT

Legislation pertaining to public buildings has consisted of various measures going back to 1902, when the first general Act was passed. At the beginning of World War I, the entire government building program was suspended, and was not reinstated until the enactment of the Public Buildings Act of 1926. Under that Act, which until 1959 provided the basic authority for direct construction by appropriations of the Federal government, a total of some \$620 million was authorized and appropriated.

In 1949, the Congress enacted the Public Buildings Act of 1949, known as Public Law 105 of the 81st Congress. In essence, P.L. 105 provided an authorization of \$40 million for the acquisition of sites and preparation of plans for Federal public buildings outside the District of Columbia, and \$30 million for improvements of existing buildings. Also during 1949, the Congress enacted Public Law 152, which created the General Services Administration.

In 1954, the Lease-Purchase Act became law (P.L. 519, 83d Cong.). That Act authorized a program for the acquisition of title to real property and construction of buildings by the G.S.A. and the Post Office Department through lease-purchase agreements, and also provided an expansion of authority for term-leasing agreements, not to exceed 30 years, for the accommodation of activities of the Post Office Department. Under the provisions of this Act, buildings were financed by private capital and installment payments on the purchase price

were made by the government in lieu of rent. Title to the property vested in the United States at the end of the contract period, not less than 10 nor more than 30 years.

The authority for lease-purchase contracts pursuant to P.L. 519 expired on July 22, 1957. During the years of its operation, some 5 Post Office Department buildings and 29 other public buildings had been placed under construction through lease-purchase agreements.

The Lease-Purchase Act was followed by the Public Buildings Act of 1959, which turned again to direct Federal construction of public buildings by appropriation. In the years since 1959, a considerable backlog of authorized but unconstructed public buildings has come into being, largely as a result of fiscal restraints. It is at this backlog which S. 1736 is directed.

COMMITTEE VIEWS

The committee believes that passage of this legislation will enable the General Services Administration to act promptly to clear the present backlog of unconstructed public buildings. Although this legislation would become operative not later than the beginning of the third full fiscal year following its enactment, it is desired that the Federal buildings fund be inaugurated in advance of that deadline if at all possible.

It must be noted that while S. 1736 is intended to expedite the construction of public buildings, in no respect can it be considered as a relaxation of Congressional oversight in this field. Under this legislation, the G.S.A. retains the responsibility to seek approval for individual prospectuses from the Committees on Public Works of the Senate and the House of Representatives. Neither does S. 1736 relieve the G.S.A. of the requirement that it obtain appropriations for public buildings on a project-by-project basis. The amount of revenue which can be released from the fund in any fiscal year is subject to specific limitations in the annual appropriations Acts of Congress.

Far from diminishing oversight, by requiring each eligible department and agency to account in its individual budget for the value of the office space which it occupies, S. 1736 enhances Congressional control. It represents a significant step toward performance budgeting. No longer will the G.S.A. carry in its budget the office expense of most of the Executive branch. The committee feels that once Federal agencies are held accountable for the expense of their own office space, they may well become more conservative in their demands for room.

One further point must be made concerning section 4 of S. 1736, which provides that the rates charged to eligible agencies "shall approximate commercial charges for comparable space and services." The General Accounting Office has estimated that between \$760 million and \$800 million each year will be generated through this provision. However, in adopting this clause, the committee is not encouraging the G.S.A. to establish its rates so high as to produce an inordinate surplus of monies in the fund. On the contrary, the committee desires that the rates charged pursuant to section 4 be sufficient only to defray the cost of constructing, maintaining, and replacing public buildings and facilities, and to provide related services.

In conclusion, the committee believes that S. 1736 is economical legislation which is consistent with sound budgetary principles and recommends its enactment.

AGENCY COMMENTS

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., August 11, 1971.

HON. JENNINGS RANDOLPH,
Chairman, Committee on Public Works,
U.S. Senate

DEAR MR. CHAIRMAN: Reference is made to your letter of May 7, 1971, requesting our comments on S. 1736 entitled: "A BILL To amend the Public Buildings Act of 1959, as amended, to provide for financing the acquisition, construction, alteration, maintenance, operation, and protection of public buildings, and for other purposes." If enacted, it would be cited as the "Public Buildings Amendments of 1971."

Section 2 of the bill would amend section 7 of the Public Buildings Act of 1959, 40 U.S.C. 606, to require approval of the Committee on Public Works prior to the appropriation of funds for the construction, acquisition, or alteration of any public buildings, only where such construction, acquisition, or alteration will involve an expenditure in excess of \$500,000. Section 7 now requires such approval where expenditures will exceed \$100,000, for construction or acquisition or \$200,000, for alteration. Whether the \$500,000 amount is the most appropriate cutoff point is a matter for congressional determination. In this regard, based on past experience, the relaxation of congressional control would affect only a small portion of the moneys devoted to public buildings projects.

Subsection 2(8) of the bill would add to the definition of "public buildings," as set forth in section 13 of the Public Buildings Act of 1959, as amended, "(x) Federal parking facilities, (xi) parking areas." The definitions of "Federal parking facilities" and "parking areas" in subsection 2(9) of the legislative proposal include areas within or adjacent to District of Columbia buildings. District of Columbia buildings are not now under the control of the General Services Administration. Thus jurisdictional problems might arise with the District of Columbia Government. Also there is for consideration the desirability of giving the General Services Administration the responsibility for providing this type of support for the District of Columbia Government. The objective of the parking provisions of the bill as they relate to the District of Columbia Government might be obtained through a separate program under the District of Columbia Government. We believe, however, that the parking problem to which the provisions of the bill are directed is a part of the larger problem of transportation needs in metropolitan areas and perhaps should be given consideration in the larger context.

There is growing concern over the general problem of facilitating daily transportation of persons living in large metropolitan areas to and from their place of employment. While in the District of Colum-

bia where the heavy concentration of Federal employees invites direct Federal action, a rapid transit system is under construction, there has also been under consideration such steps as more parking facilities and staggered working hours. Questions have been raised and are as yet unanswered as to how much parking should be provided and whether the parking needs should be met by private enterprise or by the Government.

We think there is general agreement that the transportation needs of the metropolitan areas should be provided on a basis of an overall plan. In the absence of an overall plan for the District of Columbia, we are not convinced that it would be desirable to proceed at this time with the construction of Federal parking facilities. To a lesser degree, the same considerations are undoubtedly present in other metropolitan areas where a significant amount of Federal activity is carried out.

Section 3 of the bill would amend subsection (f) of section 210 of the Federal Property and Administrative Service Act of 1949, as amended, 40 U.S.C. 490(f), to establish a Federal Buildings fund, which would assume the assets, liabilities, obligations, and commitments of the Buildings Management Fund and the Construction Services Fund. The proposed fund would also be composed of the unexpended balances of the several appropriated funds listed in the bill; the estimated fair market value of Government-owned buildings or facilities carried in the active inventory of the General Services Administration; and such sums as may be appropriated thereto. The fund would be credited with advances, reimbursements, and payments, including payments of charges made in pursuance of the proposed subsection (j) (1) to be added to section 210 of the Federal Property and Administrative Services Act of 1949, as proposed to be added by section 4 of the bill. Appropriations would no longer be made to the General Services Administration for operations of and repair and improvement to public buildings. GSA would levy charges on the Federal agencies to meet these and other costs of providing space and related services. The funds required to finance such costs would be included in the regular budget presentations of the Federal agencies. S. 2795 would thus permit the executive branch greater latitude in carrying on public buildings activities and would significantly affect the budgets presented to the Congress.

We believe that the association of the costs of space and related services with the agency programs and activities is desirable when the attention of Congress is being directed to the funding required to carry out such programs and activities. Also, the necessity to include funds for space costs in their budget requests may cause the agencies to exercise greater restraint in determining their space needs.

The following language is included in section 3 of the bill:

(a) The construction, acquisition, and operation of Federal parking facilities and parking areas shall be financed solely from the revenues derived from such parking facilities and parking areas and accounted for separately within the fund.

We suggest that this requirement be deleted. Parking space is frequently provided as an integral part of public buildings and separate financing and accounting would require arbitrary and perhaps questionable allocations of building cost.

Section 5(a) of the bill (page 8) contains the following sentence:

"Moneys derived by other agencies from such rates or fees may be credited to the appropriation or fund initially charged for providing the service, except that amounts included for replacement and expansion shall be credited to the fund created by subsection (f) (1) of section 210 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490).

Since replacement and expansion of buildings or various agencies, that are outside the control of GSA or the Federal buildings fund, will normally be financed from congressional appropriations, it does not seem appropriate to credit any part of the rental receipts on such non-GSA buildings to the Federal buildings fund. Such action would augment the fund without a corresponding ultimate expenditure therefrom for expansion or replacement. The committee may wish to consider revising this portion of the bill to require that the replacement and expansion portion of the receipts be credited to miscellaneous receipts of the general fund of the Treasury, rather than to the Federal building fund.

The introductory paragraph states that the purpose of the bill is "To amend the Public Buildings Act of 1959, as amended." We noted, however, that much of the draft bill is devoted to amending the Federal Property and Administrative Services Act of 1949. To more fully describe the purpose of the bill, we suggest that the introductory paragraph be revised to include amending the Federal Property and Administrative Services Act of 1949, as amended.

Sincerely yours,

ELMER B. STAATS.

COST

In accordance with subsection (a)(1)(C) of section 252 of the Legislative Reorganization Act of 1970, the committee states that the enactment of this legislation will entail no additional costs beyond those accounted for in existing authorization Acts.

ANALYSIS

Section 2

This section amends the Public Buildings Act of 1959, as amended (40 U.S.C. 601 et seq.).

2(1) This subsection increases from \$200,000 to \$500,000 the maximum cost of any alteration to or acquisition of a public building which may be undertaken by the General Services Administration in the absence of an authorization from the Committees on Public Works of the Senate and House of Representatives. Because of the rise in construction costs since 1959, the committee believes that the present limitation has become unrealistic. The increase of this limitation to

\$500,000 would restore the original degree of flexibility to the G.S.A. which was contemplated by the 1959 Act.

2(2) Under existing law, the G.S.A. must receive authorization from the Committees on Public Works before it may construct or acquire any public building involving an expenditure in excess of \$100,000, or alter any public building involving an expenditure in excess of \$200,000. This subsection, for the reasons stated above, increases those limitations to \$500,000 each.

2(3) Technical amendment.

2(4) Under section 7(a)(2) of the Public Buildings Act of 1959, whenever the Administrator of General Services transmits to the Congress a prospectus for a proposed project, that prospectus must include "an estimate of the maximum cost of the project." This subsection strikes the word, "maximum." In so doing, the committee intends only to delete surplus verbiage from the statute. In no respect does this subsection alter the responsibility of the Administrator to state, as completely as possible, the entire cost of proposed projects in the prospectuses which he transmits to the Senate and House of Representatives.

2(5) This subsection repeals sections 7(c) and 7(d) of the Public Buildings Act of 1959. Section 7(c) states that when a project has been authorized for more than one year without an appropriation having been made, either the Senate or the House Committee on Public Works may rescind its approval of that project before an appropriation is made. Section 7(d) states that if 30 or more projects with individual values exceeding \$10,000 have been authorized but not funded by appropriation, neither Committee on Public Works may authorize additional new projects.

2(6) This subsection strikes the words, "as he determines necessary" from section 12(a) of the Public Buildings Act of 1959, which authorizes and directs the Administrator of General Services, "as he determines necessary, to submit to Congress prospectuses of proposed projects in accordance with section 7(a) of this Act." In adopting this subsection, the committee intends only to delete surplus verbiage from the statute.

2(7) This subsection amends section 12(c) of the Public Buildings Act of 1959 by providing that the Administrator of General Services shall give due consideration to excellence of architecture and design in developing plans for future public buildings. This provision, adopted by the committee at the initiation of Senators Boggs and Randolph, expresses the committee's long-standing concern that the facilities constructed pursuant to the Public Buildings Act of 1959 be visually beneficial to the communities where they are located.

Section 3.

This section amends section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)).

(f)(1) This subsection establishes in the Treasury a fund for financing the acquisition, construction, alteration, maintenance, operation, and protection of public buildings. Into this fund are deposited: user charges from eligible departments and agencies equivalent to the commercial value of the office space which they occupy; proceeds with

respect to building sites authorized to be leased pursuant to section 210(a) of the Federal Property and Administrative Services Act; and receipts from carriers and others for loss of, or damage to, property belonging to the fund.

(f) (2) This subsection provides that monies deposited into the fund shall be available for expenditure in such amounts and for such purposes as are specified in annual appropriation Acts. Authorizations for capital expenditures, however, may be made without regard to fiscal year limitations.

(f) (3) This subsection lists certain appropriations presently made to G.S.A. which are to be merged into the new buildings fund, together with their liabilities, obligations, and commitments.

(f) (4) This subsection authorizes advances to be appropriated into the fund, repayable with interest within 30 years.

(f) (5) This subsection provides that in any fiscal year, there may be deposited to miscellaneous receipts such amounts as are specified in the annual budget estimates for the fund. In adopting this provision, the committee intends that such amounts in the fund's annual budget estimates must be approved by Congress before monies in the fund may be deposited to miscellaneous receipts.

(f) (6) This subsection enables G.S.A. to provide special services to agencies not included in the standard level user charge on a reimbursable basis, with reimbursements to be credited to the fund.

Section 4.

This section amends section 210 of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490) by adding to it three new subsections.

(j) (1) This subsection authorizes the Administrator of General Services to charge eligible agencies for furnished services, space, quarters, maintenance, repairs, or other facilities at rates determined by him. These rates approximate commercial charges for comparable space and services. However, in the case of those buildings for which the Administrator is responsible for alterations only, the rates charged shall be sufficient to recover only the applicable cost of the alteration. In any event, the committee intends that the rates charged not be so high as to produce an excess surplus of monies in the fund. Agencies, and their activities may be exempted from the G.S.A. rates by the President. To the extent that any exemptions are granted, the fund is reimbursed for the resulting loss of revenue with appropriations to G.S.A. It is anticipated that such exemptions will be granted in the case of temporary commissions and other agencies whose budgets, due to factors of size or of time, cannot appropriately be assessed user charges.

(j) (2) This subsection authorizes the Administrator to alter Federal buildings.

(j) (3) This subsection authorizes the Administrator to maintain, operate, and protect Federal buildings and sites and to provide related services, including demolition and improvement with respect to sites authorized to be leased pursuant to section 210(a) of the Federal Property and Administrative Services Act of 1949.

(j) (4) This subsection authorizes the G.S.A. to rent space in buildings in the District of Columbia.

(j) (5) This subsection authorizes the Administrator to provide, on private or other property not in government control, fencing, lighting, guard booths, and other facilities which are appropriate to enable the United States Secret Service to perform its protective functions.

(k) This subsection provides that any other Executive agency, in addition to G.S.A., which provides space and services to other agencies, may do so at rates approved by the Administrator of General Services.

(l) Definitions.

Section 5.

This section amends the Public Buildings Act of 1959, as amended (40 U.S.C. 601 et seq.) by adding a new section 4 and renumbering the existing section 4 and subsequent sections appropriately.

4(a) This and the subsequent subsections of section 5 constitute a revival of the Lease-Purchase Act of 1954 (P.L. 519, 83d Cong.). Subsection 4(a) enables the Administrator of General Services to enter into purchase contracts with terms of between 10 and 30 years. Each such contract must provide that title to the property vests in the United States. Installment payments by the United States are applied to the purchase price.

4(b) This subsection authorizes the Administrator to require security from those entering into purchase contracts with the United States. No purchase contract may be entered into which provides for payments by the United States in excess of the amount necessary, as determined by the Administrator, to: (1) amortize the cost of improvements to be constructed, plus the fair market value, on the date of the agreement, of the site, if owned or acquired by the contractor; (2) provide a reasonable rate of interest on the outstanding principal; and (3) reimburse the contractor for the cost of any other obligations assumed by him under the contract, including the payment of taxes, costs of insurance, and costs of repair and maintenance.

4(c) This subsection authorizes the use of monies from the buildings fund and other direct appropriations to G.S.A. for the installment payments on purchase contracts.

4(d) In the case of all purchase contracts, real property remains subject to state and local taxation until its title vests in the United States.

4(e) This subsection enables the Administrator to enter into agreements to effectuate the purposes of this section. The Administrator is authorized to bring about the development and improvement of any land owned by the United States and under control of G.S.A. In the case of projects which have received prior authorization by the Committees on Public Works, which have not changed substantially in scope, and which have not increased in construction cost by more than an average of 10 percent per year since the authorization, no new approval is needed from the committees before a purchase contract may be entered into.

4(f) Except for the previously noted projects, no purchase contract shall be entered into until the Committees on Public Works have approved individual prospectuses for such projects.

4(g) This subsection limits the purchase contract authority of G.S.A. to three years.

Section 6

This section authorizes the Administrator of General Services to issue such regulations as he deems necessary to effect the provisions of the Public Buildings Amendments of 1971.

Section 7

This section specifies that funds available to any eligible agency may be used to pay user charges established under section 210(j) and section 210(k) of the Federal Property and Administrative Services Act of 1949.

Section 8

This section, adopted by the committee at the initiation of Senator Weicker, is intended to insure that the General Services Administration adheres to all applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Under this section, the Administrator of General Services must file a statement with the Secretary of the Department of Housing and Urban Development and with the Administrator of the Small Business Administration, detailing the number of residential and small business units to be demolished or removed by a given project, and how the G.S.A. intends to comply with the above Act. The Secretary of Housing and Urban Development and the Administrator of the Small Business Administration, in turn, are required to certify that the measures to be undertaken by G.S.A. are consistent with the requirements of the Act.

Section 9

This section fixes the effective date of the legislation at not later than the beginning of the third full fiscal year following its enactment.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic) :

I. The Public Buildings Act of 1959 (73 Stat. 479), as amended (40 U.S.C. 601 et seq.) :

SEC. 4. (b) No approval under section 7 shall be required for any alteration and acquisition authorized by this section the estimated maximum cost of which does not exceed ~~[\$200,000]~~ \$500,000.

SEC. 7. (a) In order to insure the equitable distribution of public buildings throughout the United States with due regard for the comparative urgency of need for such buildings, except as provided in section 4, no appropriation shall be made to construct any public building or to acquire any building to be used as a public building involving an expenditure in excess of ~~[\$100,000]~~ \$500,000, and no appropriation shall be made to alter any public building involving an expenditure in excess of ~~[\$200,000]~~ \$500,000, if such construction, alteration, or acquisition has not been approved by resolutions adopted by the Committee

on Public Works of the Senate and House of Representatives, respectively [], and such approval has not been rescinded as provided in subsection (c) of this section []. For the purpose of securing consideration of such approval the Administrator shall transmit to Congress a prospectus of the proposed project, including (but not limited to)—

(1) a brief description of the building to be constructed, altered, or acquired under this Act;

(2) the location of the project, and an estimate of the [maximum] cost of the project;

[(c) In the case of any project approved for construction, alteration, or acquisition by the Committees on Public Works of the Senate and of the House of Representatives, respectively, in accordance with subsection (a) of this section, for which an appropriation has not been made within one year after the date of such approval, either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, may rescind, by resolution, its approval of such project at any time thereafter before such an appropriation has been made.]

[(d) The Committees on Public Works of the Senate and of the House of Representatives, respectively, shall not approve any project for construction, alteration, or acquisition under subsection (a) of this section whenever there are thirty or more projects the estimated maximum cost of each of which is in excess of \$100,000 which have been approved for more than one year under subsection (a) but for which appropriations have not been made, until there has been a rescission of approval under subsection (c) or appropriations are made which result in there being less than thirty such projects.]

SEC. 12. (a) The Administrator is authorized and directed to make a continuing investigation and survey of the public buildings needs of the Federal Government in order that he may carry out his duties under this Act, and [], as he determines necessary, [] to submit to Congress prospectuses of proposed projects in accordance with section 7(a) of this Act.

(c) The Administrator in carrying out his duties under this Act shall provide for the construction and acquisition of public buildings equitably throughout the United States with due regard to the comparative urgency of the need for each particular building. *In developing plans for such new buildings, the Administrator shall give due consideration to excellence of architecture and design.*

SEC. 4. (a) *Whenever the Administrator determines that the best interests of the United States will be served by taking action hereunder, he is authorized to provide space for an eligible agency (as defined in section 210(1)) of the Federal Property and Administrative Services Act of 1949, as Amended (40 U.S.C. 490) by entering into purchase contracts, the terms of which shall not be less than ten or more than thirty years and which shall provide in each case that title to the property shall vest in the United States at or before the expiration of the contract term and upon fulfillment of the terms and conditions stipulated in each of such purchase contracts. Such terms and conditions shall include provision for the application to the purchase price agreed upon therein of installment payments made thereunder.*

(b) *Each such purchase contract shall include such provisions as the Administrator, in his discretion, shall deem to be in the best interests of the United States and appropriate to secure the performance of the obligations imposed upon the party or parties that shall enter into such agreement with the United States. No such purchase contract shall provide for any payments to be made by the United States in excess of the amount necessary, as determined by the Administrator, to—*

(1) amortize the cost of improvements to be constructed plus the fair market value, on the date of the agreement, of the site, if owned or acquired by the contractor; and

(2) provide a reasonable rate of interest on the outstanding principal as determined under (1) above; and

(3) reimburse the contractor for the cost of any other obligations assumed by him under the contract, including (but not limited to) payment of taxes, costs of carrying appropriate insurance, and costs of repair and maintenance if so assumed by the contractor.

(c) *Funds now or hereafter available for the payment of rent and related charges for premises, whether appropriated directly to the General Services Administration or to any other agency of the Government and received by said Administration for such purpose, may be utilized by the Administrator to make payments becoming due from time to time from the United States as current charges in connection with agreements entered into under authority of this section.*

(d) *With respect to any interest in real property acquired under the provisions of this section, the same shall be subject to State and local taxes until title to the same shall pass to the Government of the United States.*

(e) *For the purpose of purchase contracts provided for in this section for the erection by the contractor of buildings and improvements for the use of the United States, the Administrator is authorized to enter into agreements with any person, copartnership, corporation, or other public or private entity, to effectuate any of the purposes of this section; and is further authorized to bring about the development and improvement of any land owned by the United States and under the control of the General Services Administration including the demolition of obsolete and outmoded structures situated thereon, by providing for the construction thereon by others of such structures and facilities as shall be the subject of the applicable purchase contracts, and by making available such plans and specifications for the construction of a public building thereon as the Government may possess; Provided, That projects heretofore approved pursuant to the provisions of the Public Buildings Act of 1959, as amended (40 U.S.C. 601 et seq.), and in which no substantial change in scope has been made, and for which the estimated cost of construction has not increased by more than an average of 10 per centum per year, may be constructed under authority of this section without further approval and the prospectuses submitted to obtain such approval shall for all purposes be considered as prospectuses for the purchase of space.*

(f) Except for previously approved prospectuses referred to in (e) above, no purchase contract shall be entered into pursuant to the authority of this section until a prospectus therefor has been submitted and approved in accordance with section 8 of this Act.

(g) No purchase contract shall be entered into under the authority granted under this section after a period of three full fiscal years from the date of enactment.

Sections 4 through 17 of the Public Buildings Act of 1959 are amended by renumbering them as sections 5 through 18, as follows:

[SEC. 4] SEC. 5.

[SEC. 5] SEC. 6.

[SEC. 6] SEC. 7.

[SEC. 7] SEC. 8.

[SEC. 8] SEC. 9.

[SEC. 9] SEC. 10.

[SEC. 10] SEC. 11.

[SEC. 11] SEC. 12.

[SEC. 12] SEC. 13.

[SEC. 13] SEC. 14.

[SEC. 14] SEC. 15.

[SEC. 15] SEC. 16.

[SEC. 16] SEC. 17.

[SEC. 17] SEC. 18.

SEC. 19. Prior to the acquisition of real property for the construction or alteration of any Federal building under this Act:

(a) The Administrator of General Services shall file a statement with the Secretary of Housing and Urban Development and the Administrator of the Small Business Administration detailing—

(1) the total number of residential and small business units and structures to be demolished or removed by such alteration or construction;

(2) the measures taken to assure compliance with all provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (84 Stat. 1894).

(b) The Secretary of Housing and Urban Development and the Administrator of the Small Business Administration shall justify to the Administrator that the measures taken in conjunction with the proposed construction or alteration are consistent with the Federal policy of assuring that, prior to displacement of any person or business, there be available in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents and prices within the financial means of the persons and businesses displaced, decent, safe and sanitary housing and small business units and structures equal in number to the number of and available to such displaced persons or businesses who require such units or structures and reasonably accessible to the dwelling places or places of employment of such displaced persons or businesses.

II. Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)):

SEC. 210(f):

[(f) There may be established by the Secretary of the Treasury, on such date during the fiscal year 1953 as may be determined by the Administrator, a Buildings Management Fund, which shall be available, without fiscal year limitation, for expenses necessary for buildings management operations and related services, including demolition and improvement with respect to Federal building sites authorized to be leased pursuant to section 210(a) of this Act, authorized by law to be performed by the General Services Administration. Accounting for the fund shall be maintained on the accrual method and financial reports shall be prepared on the basis of such accounting. There is authorized to be appropriated to said fund such sums as may be required, but not to exceed the amount of \$10,000,000, and any stocks of supplies and any equipment, available for buildings management functions of the General Services Administration, on hand, or on order, on the date of establishment of said fund, shall also be used to capitalize the fund: *Provided*, That said fund shall be credited with (1) annual advances for nonrecurring expenses, quarterly advances for other expenses, and reimbursements from available appropriations and funds of the General Services Administration and of any other agency, person, or organization to which services, space, quarters, maintenance, repair, or other facilities are furnished, at rates to be determined by the Administrator on the basis of estimated or actual costs (including accrued leave, and maintenance, repair, and, where applicable, depreciation of equipment) and (2) all other reimbursements, and refunds or recoveries resulting from operations of the fund, including the net proceeds of disposal of excess or surplus personal property and receipts from carriers and others for loss of, or damage to property: *Provided further*, That following the close of each fiscal year any net income, after making provision for prior year losses, if any, shall be covered into the Treasury of the United States as miscellaneous receipts: *Provided further*, That said fund shall not be credited (except as provided in this section for the net proceeds of disposal of excess or surplus property and receipts from loss or damage to property) with any receipts required by any other law to be credited to miscellaneous receipts of the Treasury.]

(f) (1) *There is hereby established in the Treasury of the United States on such date as may be determined by the Administrator, a fund into which there shall be deposited the following revenues and collections:*

(i) *User charges made pursuant to subsection (j) (1) of this section payable in advance or otherwise.*

(ii) *Proceeds with respect to building sites authorized to be leased pursuant to subsection (a) of this section.*

(iii) *Receipts from carriers and others for loss of, or damage to, property belonging to the fund.*

(2) *Moneys deposited into the fund shall be available for expenditure for real property management and related activities in such amounts and for such purposes as specified in annual appropriation Acts: Provided, That authorizations for capital expenditures may be made without regard to fiscal year limitations.*

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(9) ~~There are hereby merged with the fund established under this subsection, unexpended balances of~~ (A) the Buildings Management Fund (including any surplus therein), established pursuant to this subsection prior to its amendment by the Public Buildings Amendments of 1971; (B) the Construction Services Fund, created by section 9 of the Act of June 14, 1946 (60 Stat. 259), as amended; (C) any funds appropriated to General Services Administration under the headings 'Repair and improvement of Public Buildings,' 'Payments, Public Buildings Purchase Contracts,' 'Construction, Public Buildings Projects,' 'Sites and Expenses, Public Buildings Projects,' 'Construction, Federal Office Building Numbered 7, Washington, D.C.', and 'Additional Court Facilities', in any appropriation Acts for the years prior to the fiscal year in which the fund becomes operational; and (D) such sums as may be appropriated thereto. Provided, That the fund shall assume all the liabilities, obligations, and commitments of the said (1) Buildings Management Fund, (2) Construction Services Fund, and (3) the appropriations specified in (C) hereof.

(4) Advances are hereby authorized to be appropriated to the fund to carry out its purposes: Provided, That such advances shall, within thirty years, be repaid with interest at a rate not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining period to maturity comparable to the average maturities of such advances adjusted to the nearest one-eighth of 1 per centum: And provided further, That any appropriations made to the General Services Administration for the direct Federal construction of public buildings after July 31, 1971, shall, within thirty years from the date of obligation, be repaid as above.

(5) In any fiscal year there may be deposited to miscellaneous receipts such amount as may be specified in the annual budget estimates for the fund.

(6) Nothing in this section shall preclude the General Services Administration from providing special services not included in the standard level user charge, such as security guarding, alterations, and space adjustments requested by and for the convenience of any agency, design and engineering services, and similar special services, on a reimbursable basis and such reimbursements may be credited to the fund established under this subsection.

SEC. 4.—(j) The Administrator is authorized—

(1) to charge any eligible agency furnished services, space, quarters, maintenance, repair, or other facilities (hereinafter referred to as space and services), at rates to be determined by the Administrator from time to time and provided for in regulations issued by him. Such rates and charges shall approximate commercial charges for comparable space and services: Provided, That with respect to those buildings for which the Administrator of General Services is responsible for alterations only (as the term 'alter' is defined in section 13(5) of the Public Buildings Act of 1959 (73 Stat. 49), as amended (40 U.S.C. 612(5))), the rates charged the occupant agency or agencies for such services shall be

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fixed by the Administrator so as to recover only the approximate applicable cost incurred by him in providing such alterations. Agencies, or activities within agencies, may be exempted from the charges provided by this subsection, if the President of the United States determines that such charges would be infeasible or impractical. To the extent, any such exemption is granted, appropriations to the General Services Administration are authorized to reimburse the fund for any loss of revenue.

(2) to alter Federal buildings;

(3) to maintain, operate, and protect public buildings (as defined in the Public Buildings Act of 1959, as amended) and sites, and provide services related thereto, including demolition and improvement with respect to sites authorized to be leased pursuant to subsection (a) of this section, by contract or otherwise;

(4) to rent space in buildings in the District of Columbia notwithstanding the provisions of the Act of March 3, 1877 (40 U.S.C. 34); and

(5) to provide such fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to section 3056 of title 18, United States Code and the Act of June 6, 1968, 82 Stat. 170.

(k) Any other executive agency, in addition to General Services Administration, which provides to an eligible agency space and services set forth in subsection (j) (1) of this section, is authorized to charge the eligible agency for such space and services at rates approved by the Administrator. Moneys derived by other agencies from such rates or fees shall be credited to the appropriation or fund initially charged for providing the service, except that amounts which are in excess of actual operating and maintenance costs of providing the service shall be credited to miscellaneous receipts unless otherwise authorized by law.

(l) As used in this section--

(1) The terms, "eligible agency" or "eligible agencies" shall have the same meaning as the term "Federal agency" as defined in section 3(b) of the Federal Property and Administrative Service Act, as amended (40 U.S.C. 472), and include mixed ownership corporations (as defined in the Government Corporation Control Act), the government of the District of Columbia, private persons, or organizations.

(2) The term "real property management and related activities" shall include the functions of acquisition, design, construction, alteration, renting, operation, maintenance, protection, moving, demolition, and other like functions which General Services Administration or other agencies are authorized by law to provide eligible agencies.